

NORTH DAKOTA PUBLIC SERVICE COMMISSION
December 31, 2002

**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
January 2003
Purchased Gas Adjustment-Natural Gas**

**PU-399-02-641
Filed 12/10/2002**

SUMMARY OF PROPOSAL:

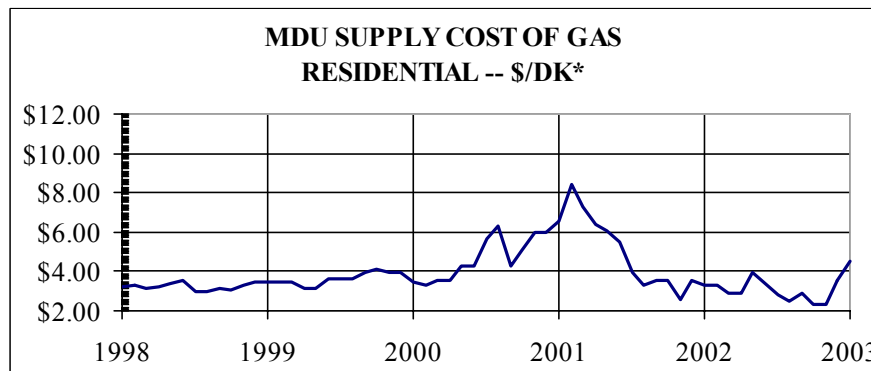
For gas bills issued during January 2003, MDU is increasing its Cost of Gas charge by \$.953 per dekatherm (dk) for residential and firm general service customers. This changes the current Cost of Gas charge from \$3.558 per dk to \$4.511 per dk.

The change in the cost of gas for residential customers results from:

- \$0.953 per dk increase in the commodity cost of gas

The increase in commodity cost is attributed to the level of storage, uncertainty about weather related winter load requirements, and the declining year-over-year production levels.

The Rocky Mountain CIG Index is based on a detailed price discovery survey by several natural gas periodicals, such as the "Inside FERC Gas Market" report and "Gas Daily" by McGraw Hill, or prices paid by willing sellers and buyers of quantities of gas in that region. The Rocky Mountain CIG Index is indicative of most supplies MDU purchases for its requirements.



This PGA change will increase the January bill for a typical residential customer with usage of 20.1 dk by \$19.16. There were 83,853 MDU customers in North Dakota as of October 31, 2002.

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the EIA's website: <http://www.eia.doe.gov>.

M O T I O N

December 31, 2002

**Montana-Dakota Utilities Co., A Division of
MDU Resources Group, Inc.
January 2003
Purchased Gas Adjustment-Natural Gas**

Case No. PU-399-02-641

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas
Purchased Gas Adjustment for January 2003, Case No. PU-399-02-641.

PJF/sdh